

2013 DRAFTING REQUEST

Bill

Received: **10/11/2012** Received By: **jkreye**
Wanted: **As time permits** Companion to LRB:
For: **Administration-Budget** By/Representing: **Byrnes**
May Contact: Drafter: **jkreye**
Subject: **Tax, Other - fuel** Addl. Drafters:
Extra Copies:

Submit via email: **YES**
Requester's email:
Carbon copy (CC) to: **joseph.kreye@legis.wisconsin.gov**

Pre Topic:

DOA:.....Byrnes, BB0039 -

Topic:

Fuel sales to an airport fueling system

Instructions:

See attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	jkreye 10/15/2012			_____			
/P1		kfollett 10/17/2012	10/17/2012	_____	sbasford 10/17/2012		State

FE Sent For:

<END>

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/?	jkreye	1P1/gf 10/11	12/17 ph	X			

FE Sent For:

<END>

TITLE: FUEL TAX AND PETROLEUM INSPECTION FEE AT AIRPORT FUEL HYDRANT SYSTEMS

DESCRIPTION OF CURRENT LAW AND PROBLEM

Motor fuel is taxed when it is disbursed from an IRS registered terminal. The tax is paid by the position holder in the IRS registered terminals. Petroleum inspection fees are imposed in the same manner. Some airports have a fuel hydrant system where fuel is filled directly into planes or into delivery trucks. These hydrant systems are treated as registered terminals by the IRS. Depending on who flies in and out of airports, the position holders in the fuel hydrant system change constantly, making compliance very difficult. Extensive record keeping is also required.

RECOMMENDATION FOR ACTION

Update statutes so that motor vehicle fuel taxes and petroleum inspection fees are imposed at an airport fuel hydrant system when the fuel is received into the airport's primary storage facility instead of on disbursements.

IMPACT ON JOB CREATION

None.

FISCAL EFFECT

The proposal will have no impact on state tax collections. Compliance with state excise tax laws will be easier for motor fuel tax and petroleum inspection fee filers.

DRAFTING INSTRUCTIONS

Amend sec. 78.07(1), Wis. Stats., to read: "Except as provided in sub. (1a), motor vehicle fuel...vehicle fuel are made directly."

Add sec. 78.07(1a) to read: "(1a) Motor vehicle fuel shipped by pipeline spur to an airport hydrant system is received when the motor vehicle fuel is received from the main pipeline into the initial or primary storage facility or holding terminal, by the owner of the storage facility or holding terminal."

EFFECTIVE DATE

90 days after publication.

INTERESTED/AFFECTED PARTIES

Milwaukee Fuel Hydrant System position holders and owner of airport's primary fuel storage facility.

also need to amend s. 78.07(3)

Hanaman, Cathlene

0358

Subject: FW: Statutory Language Drafting Request
Attachments: Hydrant Systems - 7020.pdf

From: Tyler.Byrnes@Wisconsin.gov [<mailto:Tyler.Byrnes@Wisconsin.gov>]
Sent: Friday, September 28, 2012 10:41 AM
To: Hanaman, Cathlene
Cc: Thornton, Scott - DOA; Frederick, Caitlin - DOA; Byrnes, Tyler - DOA
Subject: Statutory Language Drafting Request

Biennial Budget: 2013-15

Topic: Fuel Tax and Petroleum Inspection Fee at Airport Fuel Hydrant Systems

Tracking Code: BB0039

SBO Team: TLGED

SBO Analyst: Byrnes, Tyler - DOA
Phone: (608) 266-1039
E-mail: Tyler.Byrnes@Wisconsin.gov

Agency Acronym: DOR

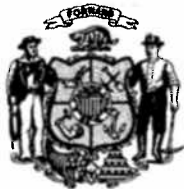
Agency Number: 566

Priority: Medium

Intent: Change statutes to treat the sale of gasoline to an airport fueling system as the taxable transaction, instead of treating the disbursement from the hydrant as the taxable transaction. See attached issue paper.

Attachments: True

Please send completed drafts to statlanguage@wisapps.wi.gov



State of Wisconsin
2013 - 2014 LEGISLATURE



LRB-0358/P1

JK: *fyf*

DOA:.....Byrnes, BB0039 - Fuel sales to an airport fueling system

FOR 2013-2015 BUDGET — NOT READY FOR INTRODUCTION

in 10-15-12

Don't Gen

1 **AN ACT ...; relating to:** the budget.

Analysis by the Legislative Reference Bureau

TAXATION

OTHER TAXATION

This bill provides that for purposes of imposing the motor vehicle fuel tax, motor vehicle fuel shipped by pipeline spur to an airport hydrant system is received when the motor vehicle fuel is received from the main pipeline into the initial or primary storage facility or holding terminal by the owner of the storage facility or holding terminal.

For further information see the **state** fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

2 **SECTION 1.** 78.07 (1) of the statutes is amended to read:

3 78.07 (1) ~~Motor~~ Except as provided in subs. (1a) and (3), motor vehicle fuel that

4 is produced, refined, blended or manufactured, or imported for manufacturing, by

any person at a refinery, marine terminal, pipeline terminal, pipeline tank farm or place of manufacture is received by a supplier when the motor vehicle fuel is removed from a refinery, marine terminal, pipeline terminal, pipeline tank farm or place of manufacture and placed in tank cars, tank trucks, tank wagons or other types of transportation equipment, containers or facilities at such refinery, marine terminal, pipeline terminal, pipeline tank farm or place of manufacture or when the motor vehicle fuel is placed in any tank or other container from which sales or deliveries not involving transportation of the motor vehicle fuel are made directly.

History: 1983 a. 27, 37; 1991 a. 316; 1993 a. 16; 2009 a. 401.

SECTION 2. 78.07 (1a) of the statutes is created to read:

78.07 (1a) Motor vehicle fuel shipped by pipeline spur to an airport hydrant system is received when the motor vehicle fuel is received from the main pipeline into the initial or primary storage facility or holding terminal by the owner of the storage facility or holding terminal.

SECTION 3. 78.07 (3) of the statutes is amended to read:

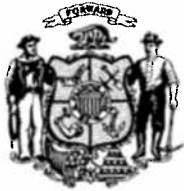
78.07 (3) Except as provided in sub. subs. (1) and (1a), motor vehicle fuel imported is received at the time and place of unloading by the person for whose account that shipment or delivery is made.

History: 1983 a. 27, 37; 1991 a. 316; 1993 a. 16; 2009 a. 401.

SECTION 9437. Effective dates; Revenue

(1) MOTOR VEHICLE FUEL; AIRPORT HYDRANT SYSTEM. The treatment of section 78.07 (1), (1a), and (3) of the statutes takes effect on the first day of the third month beginning after publication.

(END)



State of Wisconsin
2013 - 2014 LEGISLATURE



LRB-0358/P1
JK:kjf:ph

DOA:.....Byrnes, BB0039 – Fuel sales to an airport fueling system

FOR 2013-2015 BUDGET — NOT READY FOR INTRODUCTION

1 **AN ACT** ...; relating to: the budget.

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3 78.07 (1) ~~Motor~~ Except as provided in subs. (1a) and (3), motor vehicle fuel that
4 is produced, refined, blended or manufactured, or imported for manufacturing, by

1 any person at a refinery, marine terminal, pipeline terminal, pipeline tank farm or
2 place of manufacture is received by a supplier when the motor vehicle fuel is removed
3 from a refinery, marine terminal, pipeline terminal, pipeline tank farm or place of
4 manufacture and placed in tank cars, tank trucks, tank wagons or other types of
5 transportation equipment, containers or facilities at such refinery, marine terminal,
6 pipeline terminal, pipeline tank farm or place of manufacture or when the motor
7 vehicle fuel is placed in any tank or other container from which sales or deliveries
8 not involving transportation of the motor vehicle fuel are made directly.

9 **SECTION 2.** 78.07 (1a) of the statutes is created to read:

10 78.07 (1a) Motor vehicle fuel shipped by pipeline spur to an airport hydrant
11 system is received when the motor vehicle fuel is received from the main pipeline into
12 the initial or primary storage facility or holding terminal by the owner of the storage
13 facility or holding terminal.

14 **SECTION 3.** 78.07 (3) of the statutes is amended to read:

15 78.07 (3) Except as provided in ~~sub.~~ subs. (1) and (1a), motor vehicle fuel
16 imported is received at the time and place of unloading by the person for whose
17 account that shipment or delivery is made.

18 **SECTION 9437. Effective dates; Revenue**

19 (1) MOTOR VEHICLE FUEL; AIRPORT HYDRANT SYSTEM. The treatment of section
20 78.07 (1), (1a), and (3) of the statutes takes effect on the first day of the 3rd month
21 beginning after publication.

22 (END)